Atlantia

Press Release

PRESS RELEASE PURSUANT TO ARTICLE 84-BIS, PARAGRAPH 3 OF CONSOB RESOLUTION 11971 OF 14 MAY 1999, AS SUBSEQUENTLY AMENDED, HAVING REGARD TO THE 2011 AND MBO SHARE OPTION PLANS AND PHANTOM SHARE OPTION PLAN

Rome, 7 March 2014 - The Board of Directors of Atlantia SpA (the "**Company**") has today, on the recommendation of the Human Resources and Remuneration Committee and, also pursuant to art. 2389, Italian Civil Code, with the consent of the Board of Statutory Auditors, approved the proposed changes to two existing share-based incentive plans reserved for employees and/or directors of the Company, or those of its subsidiaries within the meaning of article 2359 of the Italian Civil Code (the "**Subsidiaries**" and, together with the Company, the "**Group**") with certain roles, i.e., the 2011 Share Option Plan (the "**2011 SOP**"), the "MBO Share Grant Plan" (the "**SGMBO**" and, together with the 2011 SOP, the "**Plans**"), the guidelines for which were approved at the Annual General Meeting of 20 April 2011, by resolving to submit the changes to shareholders at the Annual General Meeting of Atlantia's Shareholders.

The Plans' terms and conditions (the "**Terms and Conditions**") provide that, on vesting, each beneficiary will be awarded additional options/units as determined with reference to dividends distributed to the Company's shareholders during that vesting period. The current version of the Terms and Conditions provides that the number of additional options or units is extremely variable and, consequently, difficult to predict (cf. paragraph 2.3 of the Information Memorandum of 18 March 2011). It has consequently been proposed to vary the Plan to mitigate the number of effects of this high degree of variability being: (i) the need to apply to General Meetings from time to time for approvals to vary the number of shares held to satisfy the 2011 SOP and the SGMBO, whenever the shares set aside for these purposes are insufficient for the award of additional options and units in line with dividend payments; (ii) the risk that the treasury shares (the "**Shares**") currently held in portfolio are insufficient to satisfy the Plans; and (iii) the risk that the award and consequent exercise/conversion of a high number of additional options or units could dilute the Company's shareholders in a manner inconsistent with the Plans' objectives, resulting from scrip dividend payments based on below market Share prices.

The Terms and Conditions also provide that a certain number of Shares for which options are held or as computed in accordance with the Terms and Conditions held by beneficiaries who are “executive directors” or “key management personnel”, as defined in and for the purposes of art. 7 of the Corporate Governance Code for Listed Companies, as approved by Borsa Italiana SpA’s Corporate Governance Committee (the "**Corporate Governance Code**"), as determined by the Board of Directors, be subject to a minimum holding requirement (cf. paragraph 4.6 of the Information Memorandum of 18 March 2011). The proposed changes to the Plans are intended to avoid, <u>on the one hand</u>, that the current wording of the mandatory minimum holding results in a change of the effect of the minimum holding for beneficiaries in the event the Board elects, under the current proposal, to provide (i) for the 2011 SOP, the dividend equivalent in phantom share options instead of in Additional Options, and (ii) for the SGMBO, the dividend equivalent in cash instead of Additional Units; and, <u>on the other hand</u>, that the mandatory minimum holding is disproportionate to the original intentions partially in light of the ratio pursuant to art. 3 of the Corporate Governance Code.

In light of the above, it is proposed to amend the Plans' terms and conditions, as briefly described below, for each of the three award cycles (2011, 2012 and 2013) for the 2011 SOP and (2012, 2013 and 2014) for the SGMBO.

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Prior to describing the above changes, where applicable and also pursuant to art. 84 bis, paragraph 3, of Resolution 11971 of 14 May 1999, as amended, (the "**Regulations for Issuers**"), the following information, which was previously published in the announcement of 11 March 2011, should be noted.

EXISTING PLAN BENEFICIARIES

The Plans are exclusively for employees and/or directors with certain roles in the Company and its Subsidiaries as selected, in the Board of Directors' sole judgement, from among key management personnel of the Company and Subsidiaries (with reference to the 2011 SOP and the SGMBO, respectively the "**Beneficiaries**" and the "**MBO Beneficiaries**"). The names of the Beneficiaries and the MBO Beneficiaries required by paragraph 1 of Schedule 7 of Annex 3A of the Regulations for Issuers are provided in Table 1 of Schedule 7, Annex 3A of the Regulations for Issuers, attached to the Information Memorandum pursuant to art. 84 *bis*, paragraph 2 of the Regulations for Issuers.

CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS GRANTED UNDER THE PLANS

The 2011 SOP and the SGMBO respectively provide for **(a)** the grant, free of charge, over three annual award cycles (2011, 2012 and 2013) of options (the "Options") giving the Beneficiaries the right, subject to the 2011 SOP Terms and Conditions, (i) to physically acquire or (ii) at the Beneficiary's option, to be paid an amount equal to the proceeds of such shares sold in electronic trading organised and managed by Borsa Italiana SpA, net of the exercise price; and, **(b)** the grant over three annual award cycles (2012, 2013 and 2014) of conditional rights, non transferable *inter vivos*, each of which giving the right to MBO Beneficiaries to the free-of-charge grant of one ordinary share in the Company subject to the MBO Terms and Conditions (the "**MBO Units**") in partial payment of the annual bonus accrued on the achievement of objectives fixed for each MBO Beneficiary under the Group's Management By Objectives Programme.

Any Options and MBO Units awarded will vest and can be exercised or converted, as the case may be, in accordance with the achievement of performance objectives as set out in the relevant Plan's terms and conditions.

The number of Options that can be exercised and MBO Units that can be converted will all be computed in accordance with the relevant Terms and Conditions of each Plan in application of mathematical algorithms taking into account, among other things, the current value and exercise price consistent with the restricted realisable gain.

Both the Options and the MBO Units will be granted to beneficiaries personally and may not be transferred in *inter vivos* dealings and may not be subject to restrictions or be part of any disposition for any reason.

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PROPOSED CHANGES TO EXISTING PLANS

In consequence of the above, the Board of Directors has today announced that it has resolved to submit the following proposed amendments to the General Meeting for approval relating to the three award cycles of the 2011 SOP (2011, 2012 and 2013) and the SGMBO (2012, 2013 and 2014):

(i) to amend and supplement the Plans' Terms and Conditions having regard to the grant, vesting and number of additional Options/MBO Units, by authorising the Board of Directors to provide the equivalent of dividends distributed (a) for the 2011 SOP, instead of through the issuance of Additional Options with underlying treasury shares, an equal number of phantom share options; and (b) for the SGMBO, instead of through the issuance of MBO Units with underlying treasury shares, a cash amount computed in accordance with the formula contained in the Terms and Conditions;

(ii) to amend and supplement the Plans' Terms and Conditions having regard to determination of the number of Shares for which options are held or as computed in accordance with the Terms and Conditions held by beneficiaries who are executive directors or key management personnel, as defined in and for the purposes of art. 7 of the Corporate Governance Code, as determined by the Board of Directors subject to a minimum holding requirement respectively until the Date of Sale and for a period of three years from the exercise of the Options or conversion of the Units.

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The Board of Directors' report and the information memorandum regarding the above amendments will be made available for inspection by the date of publication of the notice of call to the Annual General Meeting, for the intents and purposes of arts. 114-*bis* and 125-*ter*, paragraph 1 of Legislative Decree 58 of 24 February 1998, as amended, and 84-*bis* of the Regulations for Issuers.

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The Board of Directors of Atlantia SpA (the "**Company**") today, on the recommendation of the Human Resources and Remuneration Committee and, also pursuant to art. 2389, Italian Civil Code, with the consent of the Board of Statutory Auditors, also approved the general guidelines and arrangements for a phantom share option plan reserved for employees and/or directors of the Company, or those of its subsidiaries within the meaning of article 2359 of the Italian Civil Code (the "**Subsidiaries**" and, together with the Company, the "**Group**") to be designated as the 2014 Phantom Share Option Plan (the "**2014 Phantom SOP**"), by resolving to submit the changes to shareholders at the Annual General Meeting of Atlantia's Shareholders.

In particular, the following information is provided in accordance with art. 84-*bis* approved by the CONSOB with resolution 11971 of 14 May 1999, as amended (the "**Regulations for Issuers**").

RATIONALE OF THE PLAN

The 2014 Phantom SOP is intended to reward the Company's key management personnel for the achievement of corporate objectives and to provide an incentive to add value for the Company, whilst at the same time creating an instrument that will promote their loyalty.

BENEFICIARIES

The 2014 Phantom SOP is exclusively for employees and/or directors with certain roles in the Company and its Subsidiaries as selected, in the Board of Directors' sole judgement, from among key management personnel of the Company and Subsidiaries (the "**Beneficiaries**"). Their names and other information, as required by paragraph 1 of Schedule 7 of Annex 3A to the Regulations for Issuers, will be provided at the time the options are granted, as per article 84-bis, paragraph 5.a of the Regulations for Issuers.

CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS GRANTED

The 2014 Phantom SOP provides for the free-of-charge award to Beneficiaries of phantom share options (the "**Options**") giving the right to a gross cash payment (the "**Bonus**") computed with reference to the increase in value, if any, of the Company's ordinary shares (the "**Shares**") over the reference period. The Options will be awarded to beneficiaries in three annual award cycles: 2014, 2015 and 2016.

Any Options awarded will vest and can be exercised in accordance with the achievement of performance objectives as set out in the 2014 Phantom SOP Terms and Conditions.

The number of Options that can be exercised will all be computed in accordance with the 2014 Phantom SOP Terms and Conditions in application of mathematical algorithms taking into account, among other things, the current value and exercise price consistent with the restricted realisable gain.

The Options will be awarded to the Beneficiaries personally and may not be transferred in *inter vivos* dealings and may not be subject to restrictions or be part of any disposition for any reason.

Due to its nature as a Phantom Share Option Plan, which does not entail the award or acquisition of Shares, the terms and conditions provide that its Beneficiaries be "executive directors" or "key management personnel", as defined in and for the purposes of art. 6 of the Corporate Governance Code for Listed Companies, as approved by Borsa Italiana SpA's Corporate Governance Committee (the "**Corporate Governance Code**"), as determined by the Board of Directors, and be subject to a share retention. This requires that a percentage of the net Bonus received must be re-invested in Shares, and that such Shares must continue to be held as a minimum holding for a required term and/or until such date as determined by the 2014 Phantom SOP Terms and Conditions.

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The Board of Directors' report and the information memorandum regarding the above amendments will be made available for inspection by the date of publication of the notice of call to the Annual General Meeting, for the intents and purposes of arts. 114-*bis* and 125-*ter*, paragraph 1 of Legislative Decree 58 of 24 February 1998, as amended, and 84-*bis* of the Regulations for Issuers.